



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

NEWS RELEASE

Office of the Attorney General
P.O. Box 20207 Nashville, TN 37202-0207

Department of Commerce and Insurance
Division of Consumer Affairs
500 James Robertson Parkway Nashville, TN 37243

FOR IMMEDIATE RELEASE

Sept. 26, 2006

#06-33

CONTACT:

Sharon Curtis-Flair

(615) 741-5860

**STATE ANNOUNCES AGREEMENT WITH DISCOUNT HEALTHCARE
TELEMARKETING COMPANY**

Tennessee has entered an agreement with a discount healthcare telemarketing company for alleged deceptive marketing of insurance and healthcare cards, Attorney General Paul G. Summers announced today.

The agreement filed by the Attorney General's Office on behalf of the Division of Consumer Affairs is with Direct Benefit Services, LLC ("Direct Benefit") a limited liability company located in Brentwood, Tennessee. Direct Benefit employed telemarketers to solicit consumers who had expressed an interest in getting insurance on the Internet web site "insureme.com." Direct Benefit bought its customer contact list from "insureme.com" and possibly others.

Direct Benefit employees are alleged to have told consumers the company was offering a purported health insurance plan when in reality the company was selling a non-insurance discount benefit--a benefit that never materialized. Most consumers who bought into the Direct Benefit discount card membership paid \$400, thinking they were getting insurance coverage and received nothing in return.

The company, which is no longer in business, paid full restitution to the estimated 91 Tennesseans who contracted with the firm as part of the agreement. The total amount of restitution

paid by the company to all consumers, both in and outside Tennessee, was \$144,460.

Many of those who bought plans had no other medical insurance and thought they were getting an insurance plan they could afford, but in reality were receiving nothing. Company reps are also alleged to have told consumers there was no waiting period for any pre-existing conditions, that it had an excellent prescription drug plan and that it covered all things Medicare does not. The firm allegedly represented itself to be a PPO plan with 80% benefit payment on all medical/dental care. However, in reality, it supplied nothing to the consumers who purchased a membership.

“We are pleased with the resolution of this discount health plan case as so many Americans are searching for affordable health coverage,” Attorney General Summers said. “Consumers should be wary of offers to provide health coverage for a very little money and no exclusions.”

Consumers who wish to file a complaint about a company may contact the Division of Consumer Affairs calling the office at 615-741-4737.